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UNITED NATIONS FUND FOR POPULATION ACTIVITIES

Allocation of UNFPA resources and proposed
alternate funding arrangements

Note by the Executive Director

1. Until recently, the United Nations Fund for Population Activities (UNFPA) had sufficient resources to meet all the technically sound project requests falling within its mandate. However, during 1974 the volume of requests for UNFPA assistance increased dramatically 1/ as a result of the growing awareness and concern about population problems among Member States and increasing interest in promoting population activities. This development was accelerated by the promotional work undertaken in connexion with World Population Year, the convening of the World Population Conference (the first such intergovernmental conference called at the ministerial level to discuss population matters) as well as the activities undertaken by UNFPA and other organizations concerned with population matters.
2. While this development is very much welcomed, it makes it necessary for UNFPA to reconsider the principles to be applied in making allocations of scarce resources to meet the increasing demand for assistance and to explore alternative ways and means of furthering the objectives of the Fund with other interested funding organizations. The Executive Director is at present actively considering the implications upon the work of the Fund. The present paper outlines below some preliminary considerations concerning: (a) the overall allocation of UNFPA resources between country programmes and other activities; (b) the allocation of resources among individual countries; (c) the allocation of resources among population programmes; and, (d) alternative avenues for financing population activities.

1/ Report of the nineteenth session of UNDP Governing Council, E/5646, para. 277 (to be issued). /...

. Allocation of resources between country
and other programmes

3. In its first years, the resources of the Fund were mainly allocated to strengthening the capacity of the United Nations, its regional economic commissions and its specialized agencies to develop research, training and operational activities on population. Since the Fund became operational requests for assistance have been forthcoming to an increasing extent from national Governments. The amounts allocated to the international organizations for inter-country projects such as regional, interregional and global projects have, over recent years, been progressively reduced so as to release more resources for country programmes. Thus in programming for 1973, 1974 and 1975 UNFPA applied the following general principles for funding population activities of the organizations in the United Nations system:

(a) requests for regional, interregional and global activities were given lower priority than country requests;

(b) a ceiling was established for the overall level of funding of such activities and for the amount of support to each organization within the overall ceilings; and

(c) no increase in the support for infrastructure posts was granted and the organizations were reminded that they should aim at the absorption of these posts so far as possible in their regular budgets.

In 1974 the UNFPA support was maintained to permit activities at a similar level as in the previous years but in 1975 it was necessary to substantially reduce the level of support as compared with 1974. At its nineteenth session several members of the Governing Council strongly supported this approach in view of the increasing demands made by countries upon the Fund's resources. 2/

4. Although financial constraints have made it necessary to reduce the Fund's support for inter-country activities, their importance is not being questioned. There has been and remains a considerable need to continue such programmes, in particular those which lead into and support projects at the country level. Inter-country programmes such as conferences, seminars, workshops and regional and interregional advisory services have led to the identification and strengthening of population activities at the national level and are often the most economical and effective way of providing expert assistance to developing countries. It is also evident that quality and efficiency can in many cases be achieved by organizing training courses for participants from groups of countries rather than for individual nations. Innovative approaches of many kinds and the development of training materials have been pioneered at the inter-country level. Research, too, is sometimes most economically developed on an inter-country basis at the same time ensuring a wider application of the results.

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5. It may be necessary to establish more definite guidelines for the allocation of funds for regional, interregional and global projects, as against country programmes. A major consideration of UNFPA in deciding on support to inter-country activities should be the extent to which they are designed to meet the needs of developing countries and to meet the objectives which cannot effectively be accomplished at the country level. In the Work Plan for the period 1976-1979 submitted to the present session of the Governing Council (DP/108, Vol. II) the share of country projects for annual UNFPA funding is estimated to increase from 70 per cent in 1975 to 80 per cent in 1979. The proportion of UNFPA resources anticipated to be available for regional, inter-regional and global programmes will decline over the planning period although the absolute amounts will increase at the rate of 10 per cent per annum to maintain the present level of activities making some allowance for anticipated inflationary trends. Any further substantial cut-backs in these programmes might, in the opinion of the Executive Director, be in conflict with one of the main aims and purposes of the Fund established by the Economic and Social Council, namely "to build up, on an international basis, with the assistance of the competent bodies of the United Nations system, the knowledge and the capacity to respond to national, regional, interregional and global needs in the population and family planning fields". 3/

Allocation of resources among countries

6. Recognizing that UNFPA's main thrust will continue to be at the country level, the question arises as to how resources should be distributed among countries. One possible approach is that of the Indicative Planning Figures (IPF) system adopted by UNDP. While this system might simplify planning methods, at the present stage of development of population programmes it does not seem to be applicable. Population problems and attitudes towards population policies vary considerably from country to country. In devising an acceptable formula for division of available funds, it cannot be assumed that all countries are interested in population activities to the same degree and would need the same types of programmes. The demand for assistance from countries is uneven and varied. Adoption of an IPF approach might create the impression that it is obligatory on the part of Governments to use specified amounts for population activities.

7. If UNFPA were to adopt an IPF system, many more factors than the gross national product and the size of population would have to be taken into account. Consideration would have to be given, for instance, to such factors as the need for basic population data, the rate of population growth, the level of fertility, the level of mortality, commitment to population policy, amount of assistance received from outside sources, and absorptive capacity of the country. How could the relative weight of these factors be determined? Governments, moreover, may make major shifts in population policy and thus necessitate important changes in planning figures. Continued application of the Fund's flexible approach in

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3/ Resolution 1763 (LIV) adopted by the Economic and Social Council on 18 May 1973.

approving budget components, such as local costs, might be complicated with considerations of GNP and the need to follow rigid indicative planning figures. UNFPA resources are much smaller than those of UNDP and if they were divided strictly on the basis of an IPF, they might be too dissipated to be effective.

8. The adoption of the IPF system to allocate resources among countries for population programmes does not seem to be a practical measure at this stage. While the subject should be left open for future discussion, the Executive Director suggests that the allocation of funds to individual countries for the moment continue to be based on considerations of country needs, as well as the relevance and soundness of programmes. A comprehensive set of criteria for the approval of projects as outlined in document DP/45 was noted and endorsed by the Governing Council at its eighteenth Session. In the light of the current and prospective resource situation, it is proposed to apply these criteria more explicitly and vigorously in approving specific projects.

Allocation of resources among population programmes

9. Another approach to deal with the problem of scarce resources might be to consider establishing priorities for funding the various areas and types of population activities. In accordance with the present mandate of UNFPA the main areas of activities to be supported are: basic population data, population dynamics, population policy, family planning, communication and education and some multi-sector activities. The World Population Plan of Action, adopted by a consensus of 136 nations in 1974, has opened up much wider areas of population activities for international action. Like all other United Nations organizations concerned with population matters, UNFPA is studying the implications of this World Population Plan of Action.^{4/} The Economic and Social Council will, at its next session consider the Plan of Action and its implications. This review may result in some indications concerning priorities in accordance with its responsibility on UNFPA policy matters given by the General Assembly (resolution 3019 (XXVII)).

^{4/} In collaboration with the United Nations, UNFPA convened post-World Population Conference consultations in Asia and the Pacific, Latin America, West Asia, Africa and Europe in the spring of 1975. The results of these regional consultations will form the basis for an interregional expert meeting to be convened which will consider the programmatic implications, priorities, international collaboration, cost estimates, and implementation of the World Population Plan of Action on a global scale.

10. The types of assistance now provided by UNFPA comprise not only the traditional types such as advisory services, seminars, fellowships for study abroad, research, transport, equipment and contraceptive supplies, but also local cost items such as salaries, provision of training materials, procurement of locally manufactured goods and construction of facilities. The scarce resources available to the Fund might suggest limiting the types of assistance provided to population programmes. Preliminary considerations would indicate, however, that the introduction of such limitations could hamper the Fund in meeting the actual needs of countries. The Economic and Social Council has clearly indicated that assistance provided by UNFPA to developing countries should "be afforded in forms and by means requested by the recipient countries and best suited to meet the individual country needs". ^{5/} Under the present policies of the Fund a mix of assistance to a number of different components is often provided particularly in comprehensive country programmes. Considerable caution is already being exercised in providing local salary support and construction costs in accordance with the policy guidelines established by the Fund. The Secretariat is engaged in a review of the various types of programmes to identify the most urgent requirements; such a review is already well under way in the field of census activities suggesting some limitations in the types of support to be provided for future rounds of censuses. However, since the needs of countries at different levels of economic, social and demographic development are so varied, it will be difficult and indeed may not be desirable to establish firm priorities for support of different components of programme budgets. One of the main advantages which UNFPA has enjoyed so far is its flexibility in this respect.

Alternative avenues for financing population activities

11. The Executive Director is exploring all possible ways of increasing the Fund's resources and of collaborating with other bodies in financing population assistance requested by developing countries. Special efforts are being made to obtain additional contributions to the Fund from Member States, particularly from Governments which have not yet contributed to the Fund, or whose contributions have so far been nominal.

12. Collaboration with bilateral and other aid organizations could be possible particularly in the following situations: (a) in cases of unanticipated requests for assistance, over and above commitments already made, or where UNFPA has fully programmed its resources; (b) in countries where UNFPA has already made large inputs or commitments, and where it may be possible for bilateral donors to fund additional activities requested by the Government; and (c) where the funding requested for an activity is linked to population but is not directly covered by UNFPA's mandate (such as health infrastructure, social welfare measures and economic and social statistics) the Fund may support the population components whereas an interested bilateral donor or the appropriate Specialized Agency may assist in providing other relevant parts of the programme.

^{5/} Resolution 1763 (LIV).

13. In December 1974 UNFPA held informal consultations with some interested Governments, foundations and organizations providing population assistance to explore the possibilities for such collaboration and the forms it might take. Several of them welcomed the initiative taken by UNFPA in this regard and indicated their readiness to collaborate. It was agreed that such collaboration in funding may take several forms: the interested donor may provide full or partial funding with UNFPA contributing its programming, monitoring and evaluation facilities; collaborating aid organizations may pool their financial resources in a joint funding arrangement; donors may support separate programmes which are interrelated in a parallel funding arrangement; interested donors may fund certain identified parts of a programme supported by UNFPA or contribute in kind to certain components such as experts, equipment, or fellowships. UNFPA is already engaged in collaboration with other donors such as the World Bank and some bilateral organizations in the funding of selected programmes but the Executive Director would like to increase considerably the scope of such co-operation for the benefit of the recipient countries. The Executive Director is at present specifically exploring the possibilities for participation of UNDP in the financing of certain population activities within the framework of its country programming.

14. There are also indications that some Governments may be interested in funds-in-trust or cost sharing arrangements by which they can contribute to promoting population activities programmed by UNFPA. The financial rules and regulations for UNFPA ^{6/} allow for funds-in-trust arrangements subject to the approval of the Governing Council in each case. The Executive Director is prepared to submit proposals for the consideration of the Council of arrangements to be established for receipt of funds-in-trust.

15. Consideration could also be given to adopting the procedure for "noted projects" utilized by the United Nations Children's Fund. In such an arrangement UNFPA would identify the needs of developing countries and prepare ~~one~~ programmes at the request of the Governments concerned. If its resources would not permit it, UNFPA would ~~have~~ no direct financial obligations but would invite interested donors to consider contributing partially or fully to the financing of such programmes. The Governing Council would be called upon to consider "noted projects" of the size and types for which the Council's approval is required, insofar as UNFPA financing is concerned. It may be useful to submit other major proposed "noted projects" for the consideration of the Council if its endorsement would expedite their financing.

Conclusion

16 In order to cope with the increasing demand made upon the resources of UNFPA, the following tentative recommendations are made:

(a) Vigorous fund raising efforts should continue to be made to increase the total resources of UNFPA;

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(b) The possibilities for collaboration with other funding organizations in providing population assistance should be fully explored and machinery established for implementing the execution of such projects.

(c) Although the World Population Plan of Action adopted by the World Population Conference widened the whole concept and scope of population activities, UNFPA should, for the time being, continue utilizing its resources mainly to support activities forming the core of the population field, namely, the collection and analysis of basic population data, population dynamics, population policies, family planning and communication and education;

(d) The greater part of UNFPA's resources should continue to be utilized to meet the needs at the country level, and support for regional, interregional and global programmes, geared towards meeting the needs of developing countries, should be stabilized at the 1975 level, making some allowance for increased costs and subject to availability of resources;

(e) Preparations of programmes and projects should increasingly be undertaken at the country level and a pipeline developed for activities to be supported if and when resources permit; at the same time a small reserve of funds may be kept at the headquarters level of UNFPA for unforeseen urgent requirements;

(f) The Fund should continue providing assistance for a broad range of components required in population programmes in order to respond to the needs of countries in a flexible manner; and,

(g) Guidelines should be prepared by the Executive Director for the consideration by the Governing Council of arrangements for funds-in-trust and "noted projects".